

Santa Rosa County District School Board
School Internal Funds

Financial Statement and
Supplementary Information

June 30, 2012

Santa Rosa County District School Board
School Internal Funds
Table of Contents
June 30, 2012

| | <u>PAGE</u> |
|---|-------------|
| INDEPENDENT AUDITOR'S REPORT | 1 |
| BASIC FINANCIAL STATEMENT | |
| Statement of Fiduciary Net Assets | 2 |
| Notes to Financial Statement | 3 - 4 |
| SUPPLEMENTARY INFORMATION | |
| Exhibit A - Listing of Schools | 5 |
| Schedules of Cash Receipts and Disbursements | 6 - 37 |
| Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government</i> <i>Auditing Standards</i> | 38 - 39 |
| Management Letter | 40 - 41 |
| Management Letter Comment | 42 |
| MANAGEMENT'S RESPONSE | |



Carr, Riggs & Ingram, LLC
Certified Public Accountants
500 Grand Boulevard
Suite 210
Miramar Beach, Florida 32550

INDEPENDENT AUDITOR'S REPORT

(850) 837-3141
(850) 654-4619 (fax)
CRlcpa.com

To the Santa Rosa County District School Board
and Tim Wyrosdick, Superintendent of Schools
Milton, Florida

We have audited the accompanying Statement of Fiduciary Net Assets of the Santa Rosa County District School Board Internal Funds, for those thirty-two schools listed in Exhibit A to the financial statement, as of June 30, 2012. This financial statement is the responsibility of the management of the Santa Rosa County District School Board. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of the Santa Rosa County District School Board Internal Funds, for those thirty-two schools listed in Exhibit A to the financial statement, as of June 30, 2012, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2012 on our consideration of the Santa Rosa County District School Board Internal Funds internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statement taken as a whole. The accompanying supplemental schedules of cash receipts and disbursements by school for the year ended June 30, 2012 are presented for purposes of additional analysis and are not a required part of the basic financial statement. The supplemental schedules of cash receipts and disbursements by school are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole.

Carr, Riggs & Ingram, LLC

Miramar Beach, Florida
October 23, 2012

Santa Rosa County District School Board
School Internal Funds

Statement of Fiduciary Net Assets

| <i>June 30,</i> | 2012 |
|---------------------------|--------------|
| Assets | |
| Cash and cash equivalents | \$ 2,850,531 |
| Investments | 20,000 |
| <hr/> | |
| Total Assets | \$ 2,870,531 |
| <hr/> | |
| Liabilities | |
| Accounts payable | \$ 237,040 |
| Internal accounts payable | 2,633,491 |
| <hr/> | |
| Total Liabilities | \$ 2,870,531 |
| <hr/> | |

See accompanying notes to financial statement.

Santa Rosa County District School Board
School Internal Funds
Notes to Financial Statement

NOTE 1 - REPORTING ENTITY

The Santa Rosa County District School Board ("District") has direct responsibility for operation, control, and supervision of Santa Rosa County schools and is considered a primary government for financial reporting. The District is considered part of the Florida system of public education. The governing body of the District is the Santa Rosa County District School Board which is composed of five elected members. The elected Superintendent of Schools is the executive officer of the School Board. Geographic boundaries of the District correspond with those of Santa Rosa County.

Individual schools within the District are considered separate entities with regards to the accounting and reporting of their internal funds.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

This financial statement presents the District's fiduciary fund used to account for resources of the school internal funds, which are used to administer moneys collected at the District's schools in connection with school, student athletic, class and club activities.

Basis of Accounting

In accordance with Florida Statutes, the District accounts for its student activity accounts as an agency fund. This fund is organized into sub-funds to account for each school in the District. The operations of each sub-fund are accounted for with a separate set of self-balancing accounts that comprise each school's assets, liabilities, fund balance, revenues and expenditures. Each sub-fund is generally divided into six student activity/project classifications, although not all schools utilize all six classifications. These classifications are athletics, music, classes/clubs/departments, trust funds, school store and general.

The financial statement of the District's internal funds has been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units.

Cash and Deposits

The District maintains deposits with "Qualified Public Depositories" as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities in accordance with collateral requirements determined by the State's Chief Financial Officer. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments between all Qualified Public Depositories.

Under this method, all the District's deposits are fully insured or collateralized at the highest level of security as defined by Governmental Accounting Standards Board (GASB), Statement Number 40, *Deposits and Investment Disclosures (An Amendment of GASB, Statement Number 3)*.

Santa Rosa County District School Board
School Internal Funds
Notes to Financial Statement

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District is authorized to invest in financial instruments as established by Section 218.415, Florida Statutes. The authorized investments include among others direct or indirect obligations which are secured by the United States Government; the Local Government Surplus Funds Trust as created by Section 218.405, Florida Statutes; SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and interest-bearing time deposits or savings accounts in authorized financial institutions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE 3 – INVESTMENTS

All investments held at June 30, 2012, are reported at fair value, which approximates amortized cost.

The following is a summary of the District's investments:

| <i>June 30,</i> | 2012 | Credit Risk | Maturities |
|-------------------------|------------------|--------------------|-------------------|
| Certificates of deposit | \$ 20,000 | n/a | 8/23/2012 |

Custodial credit risk – For an investment, custodial credit risk is the risk that the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District has no formal policy for custodial risk. At June 30, 2012, the investment listed above is not exposed to custodial credit risk because its existence is not evidenced by securities that exist in physical or book entry form.

Concentration risk – The District's investment policy requires diversification, but does not specify limits on types of investments.

Interest rate risk – The District does not have a formal policy for addressing interest rate risk; however, investments are made with discretion, to seek reasonable returns, preserve capital, and in general, avoid speculative investments. The District manages its exposure to declines in fair values from interest rate changes by reviewing the portfolio on an ongoing basis for changes in effective yield amounts.

Supplementary Information

Santa Rosa County District School Board
School Internal Funds
Exhibit A - Listing of Schools

Elementary Schools:

Bagdad Elementary School
Bennett Russell Elementary School
Berryhill Elementary School
Chumuckla Elementary School
S.S. Dixon Intermediate School
S.S. Dixon Primary School
East Milton Elementary School
Gulf Breeze Elementary School
Holley-Navarre Intermediate School
Holley-Navarre Primary School
Jay Elementary School
Oriole Beach Elementary School
Pea Ridge Elementary School
W.H. Rhodes Elementary School
West Navarre Intermediate School
West Navarre Primary School

Middle Schools:

Avalon Middle School
Gulf Breeze Middle School
Hobbs Middle School
Holley-Navarre Middle School
King Middle School
Sims Middle School
Woodlawn Beach Middle School

High Schools:

Central School
Gulf Breeze High School
Jay High School
Milton High School
Navarre High School
Pace High School

Other Schools:

E.S.E. Internal Fund
Locklin Technical Center
T.R. Jackson Pre-K Center

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
BAGDAD ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|-----------|---------------|------------------|-----------------------------------|
| Music | \$ 325 | \$ 297 | \$ (556) | \$ - | \$ 66 |
| Classes/Clubs/Departments | 1,377 | 7,137 | (6,198) | (12) | 2,304 |
| Trust Funds | 19,704 | 11,333 | (13,825) | - | 17,212 |
| General | 1,828 | 6,960 | (7,750) | 12 | 1,050 |
| TOTALS | \$ 23,234 | \$ 25,727 | \$ (28,329) | \$ - | \$ 20,632 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
BENNETT RUSSELL ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|------------|---------------|------------------|-----------------------------------|
| Music | \$ 615 | \$ 7,475 | \$ (8,120) | \$ 67 | \$ 37 |
| Classes/Clubs/Departments | 14,187 | 22,095 | (33,756) | 13,899 | 16,425 |
| Trust Funds | 9,834 | 37,049 | (35,004) | 111 | 11,990 |
| School store | 1,725 | 949 | (2,204) | (32) | 438 |
| General | 21,221 | 52,739 | (37,418) | (14,045) | 22,497 |
| TOTALS | \$ 47,582 | \$ 120,307 | \$ (116,502) | \$ - | \$ 51,387 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
BERRYHILL ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|-----------|---------------|------------------|-----------------------------------|
| Classes/Clubs/Departments | \$ 21,492 | \$ 46,936 | \$ (47,974) | \$ - | \$ 20,454 |
| Trust Funds | 12,655 | 11,966 | (14,397) | - | 10,224 |
| General | 19,713 | 4,134 | (8,404) | - | 15,443 |
| TOTALS | \$ 53,860 | \$ 63,036 | \$ (70,775) | \$ - | \$ 46,121 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
CHUMUCKLA ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|-----------|---------------|------------------|-----------------------------------|
| Athletics | \$ 2,109 | \$ 2,137 | \$ (2,259) | \$ (62) | \$ 1,925 |
| Music | 222 | 901 | (877) | - | 246 |
| Classes/Clubs/Departments | 2,804 | 18,813 | (18,690) | (25) | 2,902 |
| Trust Funds | 2,273 | 6,237 | (6,298) | 87 | 2,299 |
| General | 6,245 | 7,984 | (6,440) | - | 7,789 |
| TOTALS | \$ 13,653 | \$ 36,072 | \$ (34,564) | \$ - | \$ 15,161 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
S.S. DIXON INTERMEDIATE SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|------------|---------------|------------------|-----------------------------------|
| Music | \$ 1 | \$ 1,256 | \$ (1,254) | \$ 94 | \$ 97 |
| Classes/Clubs/Departments | 16,259 | 60,395 | (60,852) | (37) | 15,765 |
| Trust Funds | 8,392 | 18,804 | (22,066) | 151 | 5,281 |
| General | 8,407 | 26,160 | (24,071) | (208) | 10,288 |
| TOTALS | \$ 33,059 | \$ 106,615 | \$ (108,243) | \$ - | \$ 31,431 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
S. S. DIXON PRIMARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|------------|---------------|------------------|-----------------------------------|
| Music | \$ 56 | \$ 1,180 | \$ (1,028) | \$ - | \$ 208 |
| Classes/Clubs/Departments | 11,928 | 40,286 | (41,636) | (714) | 9,864 |
| Trust Funds | 16,896 | 55,275 | (38,057) | 714 | 34,828 |
| General | 6,720 | 23,534 | (22,899) | - | 7,355 |
| TOTALS | \$ 35,600 | \$ 120,275 | \$ (103,620) | \$ - | \$ 52,255 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
EAST MILTON ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|-----------|---------------|------------------|-----------------------------------|
| Classes/Clubs/Departments | \$ 8,889 | \$ 24,813 | \$ (22,026) | \$ - | \$ 11,676 |
| Trust Funds | 18,125 | 15,015 | (13,347) | - | 19,793 |
| School Store | 394 | - | - | - | 394 |
| General | 2,663 | 3,881 | (4,321) | - | 2,223 |
| TOTALS | \$ 30,071 | \$ 43,709 | \$ (39,694) | \$ - | \$ 34,086 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
GULF BREEZE ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|------------|---------------|------------------|-----------------------------------|
| Classes/Clubs/Departments | \$ 3,477 | \$ 29,760 | \$ (31,609) | \$ 18 | \$ 1,646 |
| Trust Funds | 56,936 | 86,900 | (72,087) | (596) | 71,153 |
| General | 42,678 | 7,226 | (8,890) | 578 | 41,592 |
| TOTALS | \$ 103,091 | \$ 123,886 | \$ (112,586) | \$ - | \$ 114,391 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
HOLLEY-NAVARRE INTERMEDIATE SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|------------|---------------|------------------|-----------------------------------|
| Classes/Clubs/Departments | \$ 26,384 | \$ 109,960 | \$ (96,796) | \$ (577) | \$ 38,971 |
| Trust Funds | 11,556 | 29,936 | (31,028) | (5) | 10,459 |
| General | 1,558 | 1,603 | (2,858) | 582 | 885 |
| TOTALS | \$ 39,498 | \$ 141,499 | \$ (130,682) | \$ - | \$ 50,315 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
HOLLEY-NAVARRE PRIMARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|-----------|---------------|------------------|-----------------------------------|
| Music | \$ 361 | \$ 824 | \$ (941) | \$ 50 | \$ 294 |
| Classes/Clubs/Departments | 22,860 | 33,724 | (43,679) | 7,455 | 20,360 |
| Trust Funds | 33,205 | 17,852 | (20,564) | (9,080) | 21,413 |
| General | 2,072 | 8,142 | (9,661) | 1,575 | 2,128 |
| TOTALS | \$ 58,498 | \$ 60,542 | \$ (74,845) | \$ - | \$ 44,195 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
JAY ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|-----------|---------------|------------------|-----------------------------------|
| Classes/Clubs/Departments | \$ 15,610 | \$ 22,283 | \$ (25,812) | \$ 20 | \$ 12,101 |
| Trust Funds | 17,329 | 18,979 | (15,837) | (20) | 20,451 |
| General | 31,385 | 5,789 | (13,101) | - | 24,073 |
| TOTALS | \$ 64,324 | \$ 47,051 | \$ (54,750) | \$ - | \$ 56,625 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
ORIOLE BEACH ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|-----------|---------------|------------------|-----------------------------------|
| Classes/Clubs/Departments | \$ 10,067 | \$ 41,234 | \$ (40,572) | \$ - | \$ 10,729 |
| Trust Funds | 22,647 | 32,412 | (36,380) | (1,640) | 17,039 |
| General | 24,219 | 25,988 | (50,931) | 1,640 | 916 |
| TOTALS | \$ 56,933 | \$ 99,634 | \$ (127,883) | \$ - | \$ 28,684 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
PEA RIDGE ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|-----------|---------------|------------------|-----------------------------------|
| Music | \$ 108 | \$ 708 | \$ (354) | \$ - | \$ 462 |
| Classes/Clubs/Departments | 8,441 | 28,733 | (28,484) | 296 | 8,986 |
| Trust Funds | 5,133 | 7,089 | (7,014) | 1,479 | 6,687 |
| General | 63,603 | 46,425 | (47,773) | (1,775) | 60,480 |
| TOTALS | \$ 77,285 | \$ 82,955 | \$ (83,625) | \$ - | \$ 76,615 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
W. H. RHODES ELEMENTARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|-----------|---------------|------------------|-----------------------------------|
| Music | \$ 152 | \$ 493 | \$ (525) | \$ - | \$ 120 |
| Classes/Clubs/Departments | 18,056 | 22,884 | (27,374) | (32) | 13,534 |
| Trust Funds | 3,342 | 8,296 | (8,983) | - | 2,655 |
| School Store | 1,128 | 861 | (960) | 32 | 1,061 |
| General | 36,527 | 4,056 | (13,179) | - | 27,404 |
| TOTALS | \$ 59,205 | \$ 36,590 | \$ (51,021) | \$ - | \$ 44,774 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
WEST NAVARRE INTERMEDIATE SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|------------|---------------|------------------|-----------------------------------|
| Music | \$ 833 | \$ 2,745 | \$ (2,420) | \$ (71) | \$ 1,087 |
| Classes/Clubs/Departments | 21,221 | 73,180 | (75,364) | (156) | 18,881 |
| Trust Funds | 25,788 | 28,134 | (26,078) | (1,453) | 26,391 |
| General | 2,299 | 35,891 | (37,717) | 1,680 | 2,153 |
| TOTALS | \$ 50,141 | \$ 139,950 | \$ (141,579) | \$ - | \$ 48,512 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
WEST NAVARRE PRIMARY SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|------------|---------------|------------------|-----------------------------------|
| Classes/Clubs/Departments | \$ 5,374 | \$ 36,251 | \$ (31,046) | \$ (1,103) | \$ 9,476 |
| Trust Funds | 52,554 | 70,442 | (72,666) | 457 | 50,787 |
| General | 31,122 | 23,658 | (35,963) | 646 | 19,463 |
| TOTALS | \$ 89,050 | \$ 130,351 | \$ (139,675) | \$ - | \$ 79,726 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
AVALON MIDDLE SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|-----------|---------------|------------------|-----------------------------------|
| Music | \$ - | \$ 5,472 | \$ (5,735) | \$ 263 | \$ - |
| Classes/Clubs/Departments | 30,760 | 53,515 | (59,836) | (167) | 24,272 |
| Trust Funds | 11,181 | 2,595 | (5,706) | 286 | 8,356 |
| School store | 166 | - | - | - | 166 |
| General | 32,091 | 4,603 | (3,705) | (382) | 32,607 |
| TOTALS | \$ 74,198 | \$ 66,185 | \$ (74,982) | \$ - | \$ 65,401 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
GULF BREEZE MIDDLE SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|------------|---------------|------------------|-----------------------------------|
| Music | \$ 25,908 | \$ 52,146 | \$ (55,864) | \$ (417) | \$ 21,773 |
| Classes/Clubs/Departments | 58,883 | 64,440 | (74,867) | 417 | 48,873 |
| Trust Funds | 85,099 | 21,154 | (21,617) | (50,000) | 34,636 |
| General | 27,016 | 5,003 | (5,114) | 50,000 | 76,905 |
| TOTALS | \$ 196,906 | \$ 142,743 | \$ (157,462) | \$ - | \$ 182,187 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
HOBBS MIDDLE SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|------------|---------------|------------------|-----------------------------------|
| Music | \$ 7,332 | \$ 55,554 | \$ (54,765) | \$ (750) | \$ 7,371 |
| Classes/Clubs/Departments | 10,019 | 23,076 | (21,426) | (1,943) | 9,726 |
| Trust Funds | 7,917 | 12,466 | (12,194) | (4,123) | 4,066 |
| General | 497 | 15,994 | (21,054) | 6,816 | 2,253 |
| TOTALS | \$ 25,765 | \$ 107,090 | \$ (109,439) | \$ - | \$ 23,416 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
HOLLEY-NAVARRE MIDDLE SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|-----------|---------------|------------------|-----------------------------------|
| Music | \$ 1,412 | \$ 9,714 | \$ (7,956) | \$ - | \$ 3,170 |
| Classes/Clubs/Departments | 7,208 | 39,845 | (40,819) | 680 | 6,914 |
| Trust Funds | 7,875 | 12,510 | (13,988) | (680) | 5,717 |
| General | 1,628 | 3,364 | (2,211) | - | 2,781 |
| TOTALS | \$ 18,123 | \$ 65,433 | \$ (64,974) | \$ - | \$ 18,582 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
KING MIDDLE SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|------------|---------------|------------------|-----------------------------------|
| Music | \$ 1,745 | \$ 13,401 | \$ (14,215) | \$ - | \$ 931 |
| Classes/Clubs/Departments | 26,611 | 72,612 | (79,948) | (159) | 19,116 |
| Trust Funds | 18,913 | 13,827 | (20,886) | (138) | 11,716 |
| School Store | 94 | 546 | (615) | 150 | 175 |
| General | 4,280 | 1,253 | (1,628) | 147 | 4,052 |
| TOTALS | \$ 51,643 | \$ 101,639 | \$ (117,292) | \$ - | \$ 35,990 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
SIMS MIDDLE SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|------------|---------------|------------------|-----------------------------------|
| Music | \$ 1,645 | \$ 23,324 | \$ (20,733) | \$ (185) | \$ 4,051 |
| Classes/Clubs/Departments | 39,233 | 112,959 | (119,745) | 72 | 32,519 |
| Trust Funds | 16,335 | 14,691 | (11,578) | - | 19,448 |
| General | 77,384 | 18,115 | (31,262) | 113 | 64,350 |
| TOTALS | \$ 134,597 | \$ 169,089 | \$ (183,318) | \$ - | \$ 120,368 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
WOODLAWN BEACH MIDDLE SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|------------|---------------|------------------|-----------------------------------|
| Music | \$ 23,085 | \$ 30,228 | \$ (37,395) | \$ 13,502 | \$ 29,420 |
| Classes/Clubs/Departments | 30,633 | 117,947 | (96,835) | (14,570) | 37,175 |
| Trust Funds | 17,744 | 20,196 | (22,325) | - | 15,615 |
| School Store | 45 | - | - | - | 45 |
| General | 16,266 | 29,633 | (36,182) | 1,068 | 10,785 |
| TOTALS | \$ 87,773 | \$ 198,004 | \$ (192,737) | \$ - | \$ 93,040 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
CENTRAL SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|------------|---------------|------------------|-----------------------------------|
| Athletics | \$ 30,458 | \$ 83,227 | \$ (73,155) | \$ (2,589) | \$ 37,941 |
| Music | 1,802 | 4,576 | (5,551) | - | 827 |
| Classes/Clubs/Departments | 32,577 | 46,382 | (50,795) | 987 | 29,151 |
| Trust Funds | 7,975 | 18,194 | (19,450) | 2,295 | 9,014 |
| School Store | 448 | 1,043 | (168) | (926) | 397 |
| General | 15,170 | 1,380 | (2,792) | 233 | 13,991 |
| TOTALS | \$ 88,430 | \$ 154,802 | \$ (151,911) | \$ - | \$ 91,321 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
GULF BREEZE HIGH SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|------------|---------------|------------------|-----------------------------------|
| Athletics | \$ 65,518 | \$ 287,729 | \$ (271,303) | \$ (3,138) | \$ 78,806 |
| Music | 470 | 3,907 | (11,569) | 7,192 | - |
| Classes/Clubs/Departments | 63,555 | 249,453 | (232,403) | 3,185 | 83,790 |
| Trust Funds | 121,888 | 130,267 | (127,389) | (949) | 123,817 |
| School Store | 125 | - | - | - | 125 |
| General | 71,858 | 53,073 | (92,456) | (6,290) | 26,185 |
| TOTALS | \$ 323,414 | \$ 724,429 | \$ (735,120) | \$ - | \$ 312,723 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
JAY HIGH SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|------------|---------------|------------------|-----------------------------------|
| Athletics | \$ 21,465 | \$ 164,039 | \$ (157,418) | \$ (2,410) | \$ 25,676 |
| Music | 1,419 | 15,511 | (15,711) | - | 1,219 |
| Classes/Clubs/Departments | 43,808 | 93,674 | (94,129) | 2,690 | 46,043 |
| Trust Funds | 34,824 | 15,935 | (15,470) | (315) | 34,974 |
| School Store | (35) | - | - | 35 | - |
| General | 55,562 | 2,602 | (4,623) | - | 53,541 |
| TOTALS | \$ 157,043 | \$ 291,761 | \$ (287,351) | \$ - | \$ 161,453 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
MILTON HIGH SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|------------|---------------|------------------|-----------------------------------|
| Athletics | \$ 30,339 | \$ 249,898 | \$ (221,028) | \$ (3,819) | \$ 55,390 |
| Music | 6,564 | 255,940 | (252,561) | - | 9,943 |
| Classes/Clubs/Departments | 69,414 | 220,769 | (230,218) | (5,356) | 54,609 |
| Trust Funds | 116,423 | 157,208 | (175,097) | 8,798 | 107,332 |
| General | 1,746 | 14,341 | (11,844) | 377 | 4,620 |
| TOTALS | \$ 224,486 | \$ 898,156 | \$ (890,748) | \$ - | \$ 231,894 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
NAVARRE HIGH SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|------------|---------------|------------------|-----------------------------------|
| Athletics | \$ 33,186 | \$ 205,558 | \$ (198,495) | \$ (8,721) | \$ 31,528 |
| Music | 7,481 | 114,207 | (114,154) | 1,790 | 9,324 |
| Classes/Clubs/Departments | 64,270 | 289,205 | (260,993) | (4,379) | 88,103 |
| Trust Funds | 83,425 | 115,218 | (96,663) | 9,956 | 111,936 |
| School Store | 1,819 | 1,083 | (523) | (70) | 2,309 |
| General | 9,197 | 4,420 | (6,490) | 1,424 | 8,551 |
| TOTALS | \$ 199,378 | \$ 729,691 | \$ (677,318) | \$ - | \$ 251,751 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
PACE HIGH SCHOOL
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|--------------|----------------|------------------|-----------------------------------|
| Athletics | \$ 122,936 | \$ 497,486 | \$ (500,874) | \$ 9,389 | \$ 128,937 |
| Music | 6,763 | 223,169 | (215,886) | (1,052) | 12,994 |
| Classes/Clubs/Departments | 132,416 | 372,781 | (397,335) | (5,293) | 102,569 |
| Trust Funds | 63,849 | 111,070 | (111,377) | (7,753) | 55,789 |
| School Store | 231 | - | - | (231) | - |
| General | 5,228 | 43,796 | (49,283) | 4,940 | 4,681 |
| TOTALS | \$ 331,423 | \$ 1,248,302 | \$ (1,274,755) | \$ - | \$ 304,970 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
E. S. E. INTERNAL FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|--------------------|----------------------------------|----------|---------------|------------------|-----------------------------------|
| Trust Funds | \$ 8,868 | \$ 1,870 | \$ (1,752) | \$ - | \$ 8,986 |
| General | 1,156 | 10 | (61) | - | 1,105 |
| TOTALS | \$ 10,024 | \$ 1,880 | \$ (1,813) | \$ - | \$ 10,091 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
LOCKLIN TECHNICAL CENTER
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|------------|---------------|------------------|-----------------------------------|
| Classes/Clubs/Departments | \$ 26,585 | \$ 144,493 | \$ (207,863) | \$ 66,974 | \$ 30,189 |
| Trust Funds | 43,052 | 486,607 | (389,494) | (72,313) | 67,852 |
| School Store | 4,087 | 15,078 | (22,420) | 6,326 | 3,071 |
| General | 27,526 | 49,392 | (49,947) | (987) | 25,984 |
| TOTALS | \$ 101,250 | \$ 695,570 | \$ (669,724) | \$ - | \$ 127,096 |

SANTA ROSA COUNTY DISTRICT SCHOOL BOARD
SCHOOL INTERNAL FUNDS
T. R. JACKSON PRE-K CENTER
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2012

| | Cash Balances July 1, 2011 | Receipts | Disbursements | Net Transfers | Cash Balances June 30, 2012 |
|----------------------------------|----------------------------------|----------|---------------|------------------|-----------------------------------|
| Classes/Clubs/Departments | \$ 1,924 | \$ - | \$ (558) | \$ - | \$ 1,366 |
| Trust Funds | 2,370 | 1,678 | (2,591) | - | 1,457 |
| General | 41,537 | 1,366 | (388) | - | 42,515 |
| TOTALS | \$ 45,831 | \$ 3,044 | \$ (3,537) | \$ - | \$ 45,338 |

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

To the Santa Rosa County District School Board
and Tim Wyrosdick, Superintendent of Schools
Milton, Florida

We have audited the Statement of Fiduciary Net Assets of the Santa Rosa County District School Board's Internal Funds (hereinafter referred to as the "District"), for those thirty-two schools listed in Exhibit A to the financial statement, as of June 30, 2012, and have issued our report dated October 23, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of management, the School Board members, and the Auditor General of the State of Florida, and is not intended to be and should not be used by anyone other than those specified parties.

Caru, Riggs & Ingram, L.L.C.

Miramar Beach, Florida
October 23, 2012

MANAGEMENT LETTER

To the Santa Rosa County District School Board
and Tim Wyrosdick, Superintendent of Schools
Milton, Florida

We have audited the Statement of Fiduciary Net Assets of the Santa Rosa County District School Board's Internal Funds ("District") as of June 30, 2012, and have issued our report thereon dated October 23, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in this report which is dated October 23, 2012, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.800, Rules of the Auditor General, which governs the conduct of district school board audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's report:

Section 10.804(1)(f)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Section 10.804(1)(f)3., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes.

Section 10.804(1)(f)4., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we noted certain items as discussed further in the Management Letter Comment on page 42 following this letter.

Section 10.804(1)(f)5., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.804(1)(f)6., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Section 10.804(1)(f)2., Rules of the Auditor General, requires a statement be included as to whether or not the district school board has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.804(1)(f)7.a. and 10.805(6), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.804(1)(f)8., Rules of the Auditor General, requires the auditor to state whether or not the district school board complied with transparency requirements (Section 2, Specific Appropriation 116 through 130 of Chapter 2010-152, Laws of Florida, provides that district school boards include a link on their Web sites to the Transparency Florida Web site). In connection with our audit, we determined that the District complied with the transparency requirement.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Caru, Riggs & Ingram, L.L.C.

Miramar Beach, Florida
October 23, 2012

Santa Rosa County District School Board
School Internal Funds
Exhibit B – Management Letter Comment

DISBURSEMENTS

The *Santa Rosa County District School Board Internal Accounting Manual (Internal Accounting Manual)*, Section 5 Check Requisition/Transfer Form states, "...The form is initiated by the teacher or sponsor desiring to make an expenditure. The teacher or sponsor must sign this form..."

- During our audit, we noted 3 instances out of a sample of 25 where the requisition was not signed by the teacher or sponsor.

Recommendation

We recommend that the teacher or sponsor of the organization desiring to make an expenditure, sign the required form which documents his/her authorization to disburse the funds.

Management's Responses



West Navarre Intermediate School
1970 Cotton Bay Lane
Navarre, FL 32566
(850) 936-6060
Fax (850) 936-6067

David Crissey
Principal

Shana Dorsey
Assistant Principal

October 11, 2012

In response to the finding on our internal funds audit, we are taking steps for this never to be a finding again.

A handwritten signature in black ink, appearing to be 'David Crissey', enclosed within an oval-shaped border.

David Crissey
Principal